



# GENERAL ASSEMBLY

## COMMONWEALTH OF KENTUCKY

### 2014 REGULAR SESSION

---

HOUSE BILL NO. 176

---

---

TUESDAY, JANUARY 28, 2014

---

The following bill was reported to the Senate from the House and ordered to be printed.

RECEIVED AND FILED  
DATE March 19, 2014  
3:58 p.m.  
ALISON LUNDERGAN GRIMES  
SECRETARY OF STATE  
COMMONWEALTH OF KENTUCKY  
BY Mary Sue Nelson

1 AN ACT relating to local government procedures.

2 *Be it enacted by the General Assembly of the Commonwealth of Kentucky:*

3 ➔ Section 1. KRS 65.055 is amended to read as follows:

4 (1) (a) County judge/executives and mayors, or their respective designees, shall  
 5 distribute the written information provided by the Office of the Attorney  
 6 General and the Department for Libraries and Archives under KRS 15.257  
 7 and 171.223 to each elected official and each member, whether elected or  
 8 appointed, of every county and city legislative body, local government board,  
 9 commission, authority, and committee, including boards of special districts,  
 10 located within their respective jurisdictions. In the case of a board,  
 11 commission, or authority created by joint action of a county or city, the county  
 12 judge/executive and mayor, or their respective designees, shall distribute the  
 13 written information to the members appointed by their respective jurisdictions.  
 14 Distribution shall be accomplished within sixty (60) days of receiving the  
 15 written information from the Office of the Attorney General and the  
 16 Department for Libraries and Archives. The distribution may be by electronic  
 17 means.

18 (b) The distribution of materials to~~[newly elected or appointed]~~ members who  
 19 have been elected or appointed after the most recent distribution of  
 20 materials as required in paragraph (a) of this subsection has occurred shall  
 21 be accomplished within sixty (60) days of the day their term of office  
 22 begins~~[their election or appointment]~~. The distribution may be by electronic  
 23 means.

24 (2) County judge/executives and mayors shall require signatory proof that each person  
 25 identified in subsection (1) of this section has received the written information, shall  
 26 maintain documentation of receipt on file, and shall certify to the Office of the  
 27 Attorney General that the written information has been distributed as required.

1        ➔Section 2. KRS 83A.060 is amended to read as follows:

2        (1) Each ordinance shall embrace only one (1) subject and shall have a title that shall  
3        clearly state the subject.

4        (2) Each ordinance shall be introduced in writing and shall have an enacting clause  
5        styled "Be it ordained by the City of \_\_\_\_\_:".

6        (3) No ordinance shall be amended by reference to its title only, and ordinances to  
7        amend shall set out in full the amended ordinance or section indicating any  
8        ~~text~~[words] being added by a single solid line drawn underneath *it. Text that is*  
9        *intended to be removed shall be marked at the beginning with an opening bracket*  
10       *and at the end with a closing bracket. The text between the brackets shall be*  
11       *stricken through with a single solid line*[them, and any words being deleted by a  
12       single broken line drawn through them].

13       (4) Except as provided in subsection (7) of this section, no ordinance shall be enacted  
14       until it has been read on two (2) separate days. The reading of an ordinance may be  
15       satisfied by stating the title and reading a summary rather than the full text.

16       (5) A city legislative body may adopt the provisions of any local, statewide, or  
17       nationally recognized standard code and codifications of entire bodies of local  
18       legislation by an ordinance that identifies the subject matter by title, source, and  
19       date and incorporates the adopted provisions by reference without setting them out  
20       in full, if a copy accompanies the adopting ordinance and is made a part of the  
21       permanent records of the city.

22       (6) Unless otherwise provided by statute, a majority of a legislative body shall  
23       constitute a quorum and a vote of a majority of a quorum shall be sufficient to take  
24       action.

25       (7) In an emergency, upon the affirmative vote of two-thirds (2/3) of the membership, a  
26       city legislative body may suspend the requirements of second reading and  
27       publication to provide for an ordinance to become effective by naming and

1 describing the emergency in the ordinance. Publication requirements of subsection  
2 (9) of this section shall be complied with within ten (10) days of the enactment of  
3 the emergency ordinance.

4 (8) Every action of the city legislative body shall be made a part of the permanent  
5 records of the city and on passage of an ordinance the vote of each member of the  
6 city legislative body shall be entered on the official record of the meeting. The  
7 legislative body shall provide by ordinance for the maintenance and safekeeping of  
8 the permanent records of the city. The person assigned this responsibility and the  
9 presiding officer shall sign the official record of each meeting. All ordinances  
10 adopted in a city shall, at the end of each month, be indexed and maintained in the  
11 following manner:

12 (a) The city budget, appropriations of money, and tax levies shall be maintained  
13 and indexed so that each fiscal year is kept separate from other years.

14 (b) All other city ordinances shall be kept in the minute book or an ordinance  
15 book in the order adopted and indexed in a composite index or maintained in a  
16 code of ordinances.

17 (9) Except in cities of the first class, a charter county government, and as provided in  
18 subsection (7) of this section, no ordinance shall be effective until published  
19 pursuant to KRS Chapter 424. Ordinances may be published in full or in summary  
20 as designated by the legislative body. If the legislative body elects to publish an  
21 ordinance in summary, the summary shall be prepared or certified by an attorney  
22 licensed to practice law in the Commonwealth of Kentucky and shall include the  
23 following:

24 (a) The title of the ordinance;

25 (b) A brief narrative setting forth the main points of the ordinance in a way  
26 reasonably calculated to inform the public in a clear and understandable  
27 manner of the meaning of the ordinance; and

- 1 (c) The full text of each section that imposes taxes or fees.  
2 Ordinances that include descriptions of real property may include a sketch, drawing,  
3 or map, including common landmarks, such as streets or roads in lieu of metes and  
4 bounds descriptions.
- 5 (10) A city may specify by ordinance additional requirements for adoption of ordinances  
6 in greater detail than contained herein, but a city shall not lessen or reduce the  
7 substantial requirements of this section or any other statute relating to adoption of  
8 ordinances.
- 9 (11) At least once every five (5) years, each city shall cause all ordinances in the  
10 composite index or code of ordinances to be examined for consistency with state  
11 law and with one another and to be revised to eliminate redundant, obsolete,  
12 inconsistent, and invalid provisions.
- 13 (12) The legislative body may adopt municipal orders. Orders shall be in writing and  
14 may be adopted only at an official meeting. Orders may be amended by a  
15 subsequent municipal order or ordinance. All orders adopted shall be maintained in  
16 an official order book.
- 17 (13) In lieu of an ordinance, a municipal order may be used for matters relating to the  
18 internal operation and functions of the municipality and to appoint or remove or  
19 approve appointment or removal of members of boards, commissions, and other  
20 agencies over which the city has control.
- 21 (14) All ordinances, and orders of the city may be proved by the signature of the city  
22 clerk; and when the ordinances are placed in a printed composite index or code of  
23 ordinances by authority of the city, the printed copy shall be received in evidence by  
24 any state court without further proof of the ordinances.
- 25 (15) For anything said in debate, legislative body members shall be entitled to the same  
26 immunities and protections allowed to members of the General Assembly.
- 27 ➔Section 3. KRS 91A.040 is amended to read as follows:

- 1 (1) Each city of the first through fifth class shall, after the close of each fiscal year,  
2 cause each fund of the city to be audited by the Auditor of Public Accounts or a  
3 certified public accountant. The audits shall be completed by February 1  
4 immediately following the fiscal year being audited. Within ten (10) days of the  
5 completion of the audit and its presentation to the city legislative body, in  
6 accordance with subsection (4)(e) of this section, each city shall forward an  
7 electronic copy or three (3) paper copies of the audit report to the Department for  
8 Local Government for information purposes. The Department for Local  
9 Government shall forward one (1) electronic or paper copy of the audit report to  
10 the Legislative Research Commission to be used for the purposes of KRS 6.955 to  
11 6.975.
- 12 (2) Except as provided in subsection (3) of this section, each city of the sixth class  
13 shall, after the close of each odd-numbered fiscal year, cause each fund of the city to  
14 be audited by the Auditor of Public Accounts or a certified public accountant. The  
15 audits shall be completed by February 1 immediately following the fiscal year to be  
16 audited. Within ten (10) days of the completion of the audit and its presentation to  
17 the city legislative body, in accordance with subsection (4)(e) of this section, each  
18 sixth class city shall forward an electronic copy or three (3) paper copies of the  
19 audit report to the Department for Local Government for information purposes. The  
20 Department for Local Government shall forward one (1) electronic or paper copy  
21 of the audit report to the Legislative Research Commission to be used for the  
22 purposes of KRS 6.955 to 6.975. After the close of each even-numbered fiscal year,  
23 each sixth class city shall prepare a financial statement in accordance with KRS  
24 424.220 and immediately forward one (1) electronic or paper copy to the  
25 Department for Local Government, which shall forward one (1) electronic or paper  
26 copy of the financial statement to the Legislative Research Commission.
- 27 (3) Any city of the sixth class, which for any fiscal year receives and expends, from all

1 sources and for all purposes, less than seventy-five thousand dollars (\$75,000), and  
2 which has no long-term debt, whether general obligation or revenue debt, shall not  
3 be required to audit each fund of the city for that particular fiscal year. Each city  
4 shall annually prepare a financial statement in accordance with KRS 424.220 and  
5 immediately forward one (1) electronic or paper copy to the Department for Local  
6 Government for information purposes. The Department for Local Government shall  
7 be responsible for forwarding one (1) electronic or paper copy of the financial  
8 statement to the Legislative Research Commission to be used for the purposes of  
9 KRS 6.955 to 6.975.

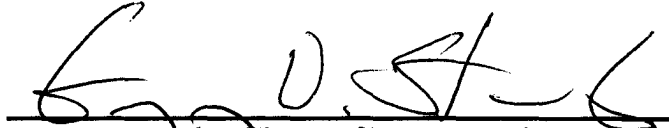
10 (4) Each city required by this section to conduct an annual or biannual audit shall enter  
11 into a written contract with the selected auditor. The contract shall set forth all  
12 terms and conditions of the agreement which shall include but not be limited to  
13 requirements that:

- 14 (a) The auditor be employed to examine the basic financial statements, which  
15 shall include the government-wide and fund financial statements;
- 16 (b) The auditor shall include in the annual city audit report an examination of  
17 local government economic assistance funds granted to the city under KRS  
18 42.450 to 42.495. The auditor shall include a certification with the annual  
19 audit report that the funds were expended for the purpose intended;
- 20 (c) All audit information be prepared in accordance with generally accepted  
21 governmental auditing standards which include tests of the accounting records  
22 and auditing procedures considered necessary in the circumstances. Where the  
23 audit is to cover the use of state or federal funds, appropriate state or federal  
24 guidelines shall be utilized;
- 25 (d) The auditor prepare a typewritten or printed report embodying:
  - 26 1. The basic financial statements and accompanying supplemental and  
27 required supplemental information;

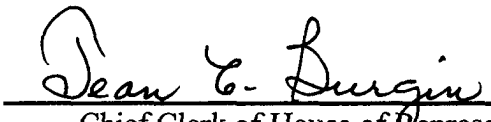
- 1           2.    The auditor's opinion on the basic financial statements or reasons why  
2                an opinion cannot be expressed; and
- 3           3.    Findings required to be reported as a result of the audit;
- 4       (e)   The completed audit and all accompanying documentation shall be presented  
5               to the city legislative body at a regular or special meeting; and
- 6       (f)   Any contract with a certified public accountant for an audit shall require the  
7               accountant to forward a copy of the audit report and management letters to the  
8               Auditor of Public Accounts upon request of the city or the Auditor of Public  
9               Accounts, and the Auditor of Public Accounts shall have the right to review  
10              the certified public accountant's work papers upon request.
- 11   (5)   A copy of an audit report which meets the requirements of this section shall be  
12           considered satisfactory and final in meeting any official request to a city for  
13           financial data, except for statutory or judicial requirements, or requirements of the  
14           Legislative Research Commission necessary to carry out the purposes of KRS 6.955  
15           to 6.975.
- 16   (6)   Each city shall, within thirty (30) days after the presentation of an audit to the city  
17           legislative body, publish an advertisement in accordance with KRS Chapter 424  
18           containing:
- 19       (a)   The auditor's opinion letter;
- 20       (b)   The "Budgetary Comparison Schedules-Major Funds," which shall include the  
21               general fund and all major funds;
- 22       (c)   A statement that a copy of the complete audit report, including financial  
23               statements and supplemental information, is on file at city hall and is available  
24               for public inspection during normal business hours;
- 25       (d)   A statement that any citizen may obtain from city hall a copy of the complete  
26               audit report, including financial statements and supplemental information, for  
27               his personal use;



- 1 (e) A statement which notifies citizens requesting a personal copy of the city  
 2 audit report that they will be charged for duplication costs at a rate that shall  
 3 not exceed twenty-five cents (\$0.25) per page; and
- 4 (f) A statement that copies of the financial statement prepared in accordance with  
 5 KRS 424.220 are available to the public at no cost at the business address of  
 6 the officer responsible for preparation of the statement.
- 7 (7) Any city of the fifth or sixth class may utilize the alternative publication methods  
 8 authorized by KRS 424.190(2) to comply with the provisions of this section.
- 9 (8) Any person who violates any provision of this section shall be fined not less than  
 10 fifty dollars (\$50) nor more than five hundred dollars (\$500). In addition, any  
 11 officer who fails to comply with any of the provisions of this section shall, for each  
 12 failure, be subject to a forfeiture of not less than fifty dollars (\$50) nor more than  
 13 five hundred dollars (\$500), in the discretion of the court, which may be recovered  
 14 only once in a civil action brought by any resident of the city. The costs of all  
 15 proceedings, including a reasonable fee for the attorney of the resident bringing the  
 16 action, shall be assessed against the unsuccessful party.
- 17 ➔Section 4. KRS 424.330 is amended to read as follows:
- 18 Cities may publish a list of uncollected delinquent taxes levied under Section 181 of the  
 19 Kentucky Constitution, showing the name of and the amount due from each delinquent  
 20 taxpayer, to be advertised by newspaper publication. A fee equal to the prorated cost of  
 21 publication per taxpayer~~[of five dollars (\$5) per name]~~ per publication may be added to  
 22 the amount of each tax claim published as publication costs.

  
\_\_\_\_\_  
Speaker-House of Representatives

  
\_\_\_\_\_  
President of Senate

Attest:   
\_\_\_\_\_  
Chief Clerk of House of Representatives

Approved   
\_\_\_\_\_  
Governor

Date 3-19-14